HOUSE BILL No. 2355

By Committee on Appropriations

2-2

AN ACT concerning the department of health and environment; relating to the food service and lodging act; licensure and inspection of lodging establishments; authorizing and prescribing the disposition of certain fees; amending K.S.A. 36-502 and K.S.A. 2006 Supp. 36-512 and repealing the existing sections.

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Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 36-502 is hereby amended to read as follows: 36-502. (a) It shall be unlawful for any person to engage in the business of conducting a lodging establishment unless such person shall have in effect a valid license therefor issued by the secretary of health and environment. Applications for such licenses shall be made on forms prescribed by the secretary, and each such application shall be accompanied by the appropriate license fee required by subsection (c) of this section. Prior to the issuance of any such license, the secretary shall inspect or cause to be inspected the lodging establishment designated in the application, to determine that it complies with the standards for lodging establishments promulgated pursuant to this act. If such lodging establishment is found to be in compliance, the secretary shall issue the license. If the application for license is denied, the secretary shall give written notice thereof to the applicant, stating also that the applicant is entitled to a hearing thereon if a written request therefor is filed with the secretary within 20 days of the date such notice is sent. Such hearing shall be held in accordance with the provisions of the Kansas administrative procedure act.

- (b) Each license shall designate whether the licensed lodging unit is a hotel, rooming house or boarding house. Any person obtaining a license to engage in the business of conducting a rooming house or boarding house shall not have the right to use the name "hotel" in connection with such business. Every license issued hereunder shall be displayed conspicuously in the lodging establishment for which it is issued, and no such license shall be transferable to any other person or location. Whenever any such license is lost, destroyed or mutilated, a duplicate license shall be issued to any otherwise qualified licensee upon application therefor and the payment of a fee in the amount of \$3 \$10.
 - (c) The fee Each application for a license to conduct a lodging estab-

lishment in this state for all or any part of any calendar year shall be \$30, except that the fee for any lodging establishment containing 10 sleeping rooms shall be \$35 and for every additional 10 rooms therein, an additional fee of \$5 shall be charged. All lodging establishments which are new, newly constructed or have a change of ownership shall pay an application fee which may be adjusted in accordance with the type of establishment or based on other criteria as determined by the secretary, but in no event shall any application fee exceed \$100 in addition to the license fee shall be made on a form prescribed by the secretary. Each application shall be accompanied by an application fee and by a license fee, each of which shall be established in an amount fixed by rules and regulations adopted by the secretary of health and environment. Application fees may be adjusted in accordance with the type of establishment or based on other criteria as determined by the secretary. All lodging establishments which are new, newly constructed or change ownership shall pay an application fee of not to exceed \$200. The license fee shall consist of an annual base fee plus an annual per guest room fee. The annual base fee shall not exceed \$200 and the annual per guest room fee shall not exceed \$10 per guest room with a maximum charge for no more than 300 guest rooms. The license fee shall be fixed in an amount that is sufficient to defray the cost of administering the lodging establishment inspection and licensure activities of the secretary.

(d) Any person who, on the effective date of this act, has a valid license to operate a hotel or rooming house shall be a licensee under the provisions of this act, and any such license is hereby deemed to be a license to operate a lodging establishment issued under the provisions of this act.

Sec. 2. K.S.A. 2006 Supp. 36-512 is hereby amended to read as follows: 36-512. (a) The secretary shall remit all moneys received by the secretary under the provisions of this the food service and lodging act to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Except for moneys remitted under subsection (b), (c) or (d), upon receipt of each such remittance the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

(b) The secretary shall remit all moneys received from food service establishments as fees under the food service and lodging act, other than from food service establishments located in a municipality where food service inspection services are provided by a local agency under contract with the secretary, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury to the credit of the food inspection fee fund, which is

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hereby created in the state treasury. All expenditures from the food inspection fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or a person designated by the secretary.

(c) The secretary shall remit all moneys received from lodging establishments as fees under the food service and lodging act to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury to the credit of the lodging inspection fee fund, which is hereby created in the state treasury. All expenditures from the lodging inspection fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or a person designated by the secretary.

 $\frac{b}{d}$ (d) The secretary shall remit all moneys received by the secretary from fees from food service establishments located in a municipality where food service inspection services are provided by a local agency under contract with the secretary to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the food service inspection reimbursement fund which is hereby created. On July 1, 1988, and on the first day of each month thereafter, the director of accounts and reports shall transfer from the food service inspection reimbursement fund to the state general food inspection fee fund an amount equal to 20% of all money credited to such fund during the preceding month. Expenditures from the food service inspection reimbursement fund shall be made to reimburse each local agency under contract with the secretary for food service inspection services in an amount equal to 80% of the money received from food service establishments in the municipality served by the local agency. All expenditures from the food service inspection reimbursement fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or a person designated by the secretary.

Sec. 3. K.S.A. 36-502 and K.S.A. 2006 Supp. 36-512 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.